



Duranel Rall
06-9-4

October 19, 2006

Dr. Robert F. Sawyer
Chairman, California Air Resources Board (CARB)
1001 I Street
Sacramento, California 95814

Re: Proposed Amendment to the Zero Emission Bus Regulations

Dear Dr. Sawyer:

I would first like to thank you for the opportunity to write to you regarding the proposed changes to the Zero Emission Bus Regulations. It is imperative to the State of California, and especially to the South Coast Air Quality Management District, that we all work together with diligence to help improve our air quality.

Omnitrans supports the Air Resources Board and the South Coast Air Quality Management District on the clean-air issues. This is supported by the fact that our fleet is approximately 96 percent liquid-compressed natural gas. In addition, Omnitrans operates three gasoline hybrid buses and several hybrid automobiles. We are very committed to clean fuels and the benefit they can bring to our local area, the State of California and the environment. Omnitrans will work diligently to help the CARB to continue those efforts.

As a transit system, and particularly as Omnitrans, we have helped to lead the way in developing an alternate fuel fleet. Omnitrans has used, as have many other transit systems, liquid natural gas, compressed natural gas, liquid compressed natural gas. These are all common fuels of our transit systems, but not in other fleets, such as the trucking industry or other heavy-duty equipment. Transit has lead the way in the development of these fuels.

I would also say that Omnitrans supports most of the new amendments to the Zero Emission Bus Regulations (ZEBR). There is a need to continue that technology, but there is also a need to wait until that technology is solid and dependable before mandating its use in the public sector or any other heavy-duty fleets, for that matter.

We have to be able to rely on the technology so that our vehicles are available to transport those passengers every day to work, school, and other activities to ensure the general public that they can rely on us to accommodate and meet their needs.

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Serving the communities of Chino, Chino Hills, Colton, County of San Bernardino, Fontana, Grand Terrace, Highland, Loma Linda, Montclair, Ontario, Rancho Cucamonga, Redlands, Rialto, San Bernardino, Upland and Yucaipa.

In California, as a transit operator, we are required to meet 20 percent of our operating cost from the farebox. This is necessary in order for us to qualify for Transit Development Act (TDA) funding, which provides a great deal of our operating subsidy. Adding additional infrastructure and additional systems to maintain, additional training and additional facility renovation and modification would make it difficult to maintain the 20 percent farebox requirement. We, at Omnitrans, currently are coming very close to that level. If we fall below that 20 percent, we jeopardize a major part of our operating funds.

Facility requirements for hydrogen use are different than those required for natural gas use. There must be a way to measure leakage or other problems with the fuel. And, our facilities are currently equipped to do that. They are not equipped to detect or locate hydrogen leaks.

There is also a great potential risk to our neighbors. We exist very close to an elementary school. When we installed our compressed natural gas facility, there was great concern from the school whenever they would smell methyl mercaptan, the odorant in natural gas. We subsequently had to remove that compressed natural gas facility and convert to a liquid natural gas facility, at a great cost to us financially and a great cost to our relationship with the neighborhood. It's easy to see that if Omnitrans had hydrogen storage at this facility, it would be very difficult for us to convince our neighbors that it's safe. We would again have a great uprising from our local neighbors with this type of storage. And, again we may asked to relocate our facility, which we currently have approximately \$50 million invested.

The Zero Emission Bus Regulations compare the cost of Hydrogen Fuel Cell Buses (HFCB) to electric trolleys, which cost about \$800,000 in 1997. That is being compared to \$1.2 million for the HFCBs. Omnitrans operates buses, not trolleys. Buses cost approximately \$375,000 for a liquid compressed natural gas heavy-duty bus, or only about one-fourth the cost of a HFCB. It is unreasonable to try to compare the cost of \$800,000 for electric trolleys and \$1.2 million for HFCBs, when the delta is significantly different. And, this does not include any cost for infrastructure for a new fuel-generating or storage system.

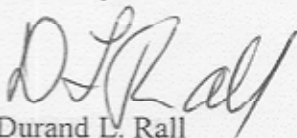
Our liquid natural gas station works. We have finally grown to the point where we are able to use it effectively, along with natural gas in our fleet, and have begun to develop some very decent operating numbers. It has taken us nine years to get to this point. To begin another bleeding-edge technology at this point would be a very costly thing for Omnitrans as a smaller system.

There are many unknowns for HFCBs, such as, the capital cost of a hydrogen fueling facility, the day-to-day operating cost, which may in fact, be less, but that is unknown at this time. There is not enough demonstration of HFCBs to determine the longevity and life-cycle costing of these vehicles, which should be determined prior to mandating its operations.

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Omnitrans supports what the California Air Resources Board is doing, but request that you give transit systems time to work with California Air Resources Board staff to help them understand our operation needs and have a review at 2009 to ensure that we can successfully implement this technology for the benefit of you, as regulators, and us, as operators.

Sincerely,

A handwritten signature in dark ink, appearing to read 'DLR all', written over the printed name.

Durand L. Rall
Chief Executive Officer/General Manager

DLR/vlo

c: California Transit Association
Catherine Witherspoon, Executive Officer, California Air Resources Board